

Nov 8,2023

Dear Director and The Manager of SET

Re: Clarification of the Operating Result for Quarter 3/2023

Thailand's economic outlook for the third quarter of 2023, was in the direction of a gradual recovery. The Tourism sector still continues to expand in accordance with the numbers of foreign tourists that still increased. Private consumption improved in tourism and related services. Meanwhile, consumer confidence remained weak on concerns over political uncertainty after the election. Moreover, pressure from the cost of living and household debt remain high. In addition, the export sector was also weak, especially for exports of industrial products, due to lower demand from trading partners amid the global economic slowdown. However, the Company has continuously conducted sales activities, the result showed the Company's sales amounting to Baht 224.25 million, an increase of Baht 18.99 or equivalent to 9.25% from the same period previous year. Cost of goods sold Baht 115.93 million, a decrease of Baht 2.60 million or equivalent to 2.19% from the same period previous year. The ratio of cost of goods sold toward sales decreased 57.75% from previous year to 51.70% or 6.05% decrease. This was due to the implementation of promotional activities for clearing old merchandise of hair products segment. The segment of clothing products had a larger proportion of low-cost product sales. Total distribution cost and cost of administration was Baht 120.73 million, representing an increase of Baht 14.85 million as compared to previous year or 14.02 %. It came from an increase of marketing expenses for products' advertising, public relation and sales promotion. This is to boost sales amount and increase the competitive advantage of the market.

Other revenues were Baht 4.16 million, it increased Baht 0.24 million from previous year or an increase of 6.12 %. These gained from expenses compensation revenues, which were supplier promotional grants. Financial incomes were Baht 0.06 million, it increased Baht 0.02 million or equivalent 43.90%, which gained from an increase of interest incomes. There was also a profit gained from measuring the fair value of other current financial assets amounting to Baht 0.77 million, which are short-term investments. Previous year, the dividend incomes were Baht 2.00 million.

Financial cost, which consists of lease interest expense based on the application of Financial Reporting Standard No. 16 on Lease Agreements (IFRS 16) was Baht 0.28 million. It decreased Baht 0.04 million or equivalent 12.96% from the previous year. According to the above mentioned reasons, the Company has a loss before income tax, amounting to Baht 7.70 million. The loss decreased Baht 5.65 million or equivalent 42.32%. Income tax revenues amounted to Baht 1.27 million from the change of temporary difference from deferred income tax. Therefore, the net loss was Baht 6.43 million, a decrease of Baht 4.45 million or equivalent to 40.91% compared to the same period last year.

Very truly yours,

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Mrs, Teerada Ambhanwong
Managing Director&CEO